

MINUTES

MONTANA SENATE 56th LEGISLATURE - REGULAR SESSION

COMMITTEE ON TAXATION

SUBCOMMITTEE ON SB 92 AND SB 424

Call to Order: By **CHAIRMAN ALVIN ELLIS**, on March 23, 1999 at 9:05 A.M., in Room 413/415 Capitol.

ROLL CALL

Members Present:

Sen. Alvin Ellis, Jr., Chairman
Sen. Dorothy Eck (D)
Sen. Pete Ekegren (R)

Members Excused: None

Members Absent: None

Others Present: Sen. Vicki Cocchiarella,

Staff Present: Sandy Barnes, Committee Secretary
Lee Heiman, Legislative Branch

Please Note: These are summary minutes. Testimony and discussion are paraphrased and condensed.

Committee Business Summary:

Bills Discussed: SB 92 and SB 424

DISCUSSION ON SB 92 AND SB 424

SB 424 proposes a phase-out of the income cap for the Elderly Homeowner/Renter Credit over the range of \$35,000 to \$45,000 in gross household income. It allows individuals 80% of their calculated credit if their gross household income is \$35,000-\$37,500, 60% of the credit if their income is \$37,500-\$39,999, 40% if their income is \$40,000-\$42,499, 20% if it is \$42,500-\$44,999, and does not give a credit to those earning over \$45,000. The fiscal effect is estimated at \$137,800 in additional credits.

The Department of Revenue had provided worksheets analyzing this proposal, as well as two other options, **EXHIBIT(tas65b01)**, and the committee discussed at length this information. **SEN.**

COCCHIARELLA said that her concern was the abrupt cutoff in the Homeowner Credit, and she was attempting to make that cutoff more gradual in this legislation. She said she would be agreeable to lowering the percentages, and thereby lowering the fiscal impact.

The committee agreed to recommend the proposed amendments to **SB 424** provided by **Mr. Heiman**, **EXHIBIT(tas65b02)**, as well as cutting the percentages on pages 2 and 3 of the bill by half, to 40%, 30%, 20% and 10%. **SEN. ELLIS** said he would request a new Fiscal Note from the Department of Revenue, which will probably not be available when the Taxation Committee takes executive action, but could be provided when the bill is heard on the floor.

Motion/Vote: **SEN. EKEGREN MOVED THE AMENDMENTS SB042202.alh PREPARED BY MR. HEIMAN, AS WELL AS CHANGING THE PERCENTAGES ON PAGES 2 AND 3 OF THE BILL TO 40%, 30%, 20% AND 10%. Motion carried 3-0.**

The committee had previously agreed to table **SB 92**.

ADJOURNMENT

Adjournment: 9:30 A.M.

SEN. ALVIN ELLIS JR., Chairman

SANDY BARNES, Secretary

GD/SB

EXHIBIT (tas65bad)